GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1044
ANSWERED ON:20.08.2007
CALCULATION OF MAXIMUM RETAIL PRICE
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Will the Minister of AGRICULTURE be pleased to state:

(a) the different cost factors taken into consideration for calculation of Maximum Retail Price (MRP) of a product before printing it on the package shell of the products;

(b) the steps taken to check the printing of inflated MRP;

(c) whether some manufacturers print different MRP on their products sold at different outlets; and

(d) if so, the steps being taken by the Government to check such practices?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a): The provisions of the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 provide that for the purpose of `maximum price` in relation to any commodity in packaged form, all taxes local or otherwise, freight, transport charges, commission payable to dealers and all other charges towards advertisement, delivery, packing, forwarding and the like may be included, as the case may be.

(b): To ensure that the manufacturers print Maximum Retail Price (MRP) that have relationship with the cost of production/ intended sale price, the Government have amended theCentral Excise Act, 1944 to provide for levy of excise duty on the basis of MRP declared on the package in respect of notified commodities.

(c): The Rules only provide that the manufacturer declares, among other things, MRP on the package. The quantum of MRP declared on the package is left to the manufacturer. Further the Rules do not impose any restriction, whatsoever, on the declaration of MRP on the package by the manufacturer.

(d): Question does not arise.